

CLAIMS

What is claimed is:

- 000076-14000
- 1 *Sub* 1. Method for detecting fraud *is* non-personal transactions *in?*
2 comprising the steps of:
3 transmitting the purchaser's data to a fraud-detection
4 system, the purchaser's data including a ship-to address for the transaction;
5 processing the purchaser's data to determine whether the
6 transaction is potentially fraudulent; and
7 returning the relative risks of fraudulent activity associated
8 with the transaction.
- 1 2. The fraud detection method according to claim 1, wherein
2 the processing step comprising parsing out the purchaser's ship-to address.
- 1 3. The fraud detection method according to claim 1, further
2 comprising the step of checking to determine whether the purchaser's ship-to
3 address exists.
- 1 4. The fraud detection method according to claim 3, wherein
2 the ship-to address checking step comprises comparing a zip code of the ship-to
3 address against a post office database.
- 1 5. The fraud detection method according to claim 4, wherein
2 the zip code is a ZIP+ 4 zip code.

1 13. The fraud detection method according to claim 1, further
2 comprising the step of checking the purchaser's ship-to address against an
3 historical database to determine whether a pattern of fraudulent activity exists for
4 the ship-to address.

1 14. The fraud detection method according to claim 13, wherein
2 the pattern of fraud detecting step comprises determining whether an overlapping
3 use of payment means and ship-to address is present by consulting a database of
4 prior transactions.

1 15. The fraud detection method according to claim 13, wherein
2 the pattern of fraud detecting step comprises retroactively notifying the merchant
3 of previous transactions associated with the ship-to address once a pattern of
4 fraudulent activity has been detected.

1 16. The fraud detection method according to claim 1, further
2 comprising the step of checking the purchaser's ship-to address against a
3 modeling engine to determine whether elements exist in the demographic data
4 which correlate with fraudulent trends.

1 17. The fraud detection method according to claim 1, further
2 comprising the step of calculating a score based at least in part upon the
3 likelihood that the transaction is fraudulent.

1 18. The fraud detection method according to claim 2, further
2 comprising the step of checking to determine whether the purchaser's ship-to
3 address exists.

1 19. The fraud detection method according to claim 18, wherein
2 the ship-to address checking step comprises comparing a zip code of the ship-to
3 address against a post office database.

1 20. The fraud detection method according to claim 19, wherein
2 the zip code is a ZIP + 4 zip code.

1 21. The fraud detection method according to claim 18, wherein
2 the ship-to address checking step comprises comparing the city and state of the
3 ship-to address against the city and state with the ZIP + 4 code.

1 22. The fraud detection method according to claim 18, wherein
2 the ship-to address checking step comprises checking the area code of the
3 purchaser's phone number to determine whether it fits the geographic area of the
4 ship-to address.

1 23. The fraud detection method according to claim 18, wherein
2 the ship-to address checking step comprises comparing the purchaser's ship-to
3 address against the national change of address service database or the publisher's
4 change of address database.

1 24. The fraud detection method according to claim 18, wherein
2 the ship-to address checking step comprises rating the building site associated
3 with the "ship-to" address to determine whether the building or lot type is
4 inconsistent with the transaction data.

1 25. The fraud detection method according to claim 18, further
2 comprising the step of checking the purchaser's ship-to address against an
3 historical database to determine whether a prior history of fraud exists.

1 26. The fraud detection method according to claim 25, wherein
2 the prior history of fraud determining step comprises checking whether a record
3 associated with the purchaser's ship-to address exists in the historical fraud
4 database.

1 27. The fraud detection method according to claim 26, wherein
2 the associated record is checked to determine whether negative data is associated
3 with the ship-to address.

1 28. The fraud detection method according to claim 25, further
2 comprising the step of checking the purchaser's ship-to address against an
3 historical database to determine whether a pattern of fraudulent activity exists for
4 the ship-to address.

1 29. The fraud detection method according to claim 28, wherein
2 the pattern of fraud detecting step comprises determining whether an overlapping
3 use of payment means and ship-to address is present by consulting a database of
4 prior transactions.

1 30. The fraud detection method according to claim 28, wherein
2 the pattern of fraud detecting step comprises retroactively notifying the merchant
3 of previous transactions associated with the ship-to address once a pattern of
4 fraudulent activity has been detected.

1 31. The fraud detection method according to claim 28, further
2 comprising the step of checking the purchaser's ship-to address against a
3 modeling engine to determine whether elements exist in the demographic data
4 which correlate with fraudulent trends.

32. The fraud detection method according to claim 31, further comprising the step of calculating a score based at least in part upon the likelihood that the transaction is fraudulent.

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